

## 2017-19 Biennium Budget Decision Package

**Agency:** 124 Department of Retirement Systems

**Decision Package Code/Title:** DC/Servers to State Data Center

**Budget Period:** 2017-19

**Budget Level:** PL-Policy Level

### Agency Recommendation Summary Text:

The Department of Retirement Systems (DRS) is requesting resources to plan, move into, maintain and operate 55 devices in the State Data Center (SDC) managed by Consolidated Technology Services (WaTech) beginning in January of 2018. This request will bring the agency into compliance with RCW 43.105.375 and maximize the use of the SDC.

### Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 600-1	175,703	204,319	43,980	43,980
Fund 888-6	12,483	14,516	3,125	3,125
Fund 874-6	947	1,100	236	236
<b>Total Cost</b>	<b>189,133</b>	<b>219,935</b>	<b>47,341</b>	<b>47,341</b>
Staffing	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	1.2	1.5	0.0	0.0
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A – Salaries	99,204	130,725	0	0
Obj. B – Benefits	31,737	41,868	0	0
Obj. E – Goods & Svcs	58,192	47,342	47,341	47,341

### Package Description

The Legislature directed state agencies, through RCW 43.105.375, to locate all existing and new servers within the State Data Center (SDC) located in Olympia. The Office of the Chief Information Officer (OCIO), in consultation with the Office of Financial Management, is responsible for implementing the business plan and migration schedule for moving all state agencies into the SDC. DRS plans to move 55 devices during the period of January 2018 through December 2018. DRS will incur one-time costs to move these devices into the SDC as well as ongoing costs for maintenance and operation.

34 of the 55 devices being moved to the SDC are physical servers which contain 93 virtual servers and 292 SQL databases which support a multitude of business applications. The complex relationships between the virtual servers, databases and applications will require in-depth analysis, meticulous planning and careful execution to ensure DRS business operations continue uninterrupted during the

move to the SDC. Due to the complex nature of this work, a project manager, business systems analyst and a server network administrator will need to be solely placed on this project for its duration.

**Agency Contact Information:**

- Mark Feldhausen, Budget and Performance Management Director (360) 664-7194
- Rose Bossio, ISD Assistant Director (360) 664-7286

**Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.**

- Not Applicable

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

- See attached worksheet and IT Addendum itemized cost.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

- This change will optimize the use of the SDC and help agencies avoid the cost and complexity of maintaining their own server rooms and data centers. The SDC provides the necessary space, power, cooling, connectivity, and physical and network security for the server, storage, and networking equipment of agencies that use it. The SDC operates more efficiently and provides better physical and virtual security and resiliency than agency space.
- DRS assumes moving its servers to the SDC will result in overall decreased costs to the state although costs incurred by the agency are increased. The SDC uses power much more efficiently than individual, smaller and older facilities. Also, the debt service on the SDC, currently burdening the State General Fund, can be reduced as agencies with multiple fund sources locate their IT equipment there.

**Performance Measure detail:**

**Fully describe and quantify expected impacts on state residents and specific populations served.**

- This decision package does not directly impact the measures historically published in the RPM system.

**What are other important connections or impacts related to this proposal?** Please complete the following table and provide detailed explanations or information below:

<b>Impact(s) To:</b>		<b>Identify / Explanation</b>
<b>Regional/County impacts?</b>	<b>No</b>	
<b>Other local gov't impacts?</b>	<b>No</b>	
<b>Tribal gov't impacts?</b>	<b>No</b>	
<b>Other state agency impacts?</b>	<b>No</b>	
<b>Responds to specific task force, report, mandate or exec order?</b>	<b>Yes</b>	<b>RCW 43.105.375</b>
<b>Does request contain a compensation change?</b>	<b>No</b>	
<b>Does request require a change to a collective bargaining agreement?</b>	<b>No</b>	
<b>Facility/workplace needs or impacts?</b>	<b>No</b>	
<b>Capital Budget Impacts?</b>	<b>No</b>	
<b>Is change required to existing statutes, rules or contracts?</b>	<b>No</b>	
<b>Is the request related to or a result of litigation?</b>	<b>No</b>	
<b>Is the request related to Puget Sound recovery?</b>	<b>No</b>	
<b>Identify other important connections</b>	<b>N/A</b>	

**Please provide a detailed discussion of connections/impacts identified above.**

The Legislature directed state agencies, through RCW 43.105.375, to locate all existing and new servers within the State Data Center (SDC) located in Olympia. The Office of the Chief Information Officer (OCIO), in consultation with the Office of Financial Management, is responsible for implementing the business plan and migration schedule for moving all state agencies into the SDC.

**What alternatives were explored by the agency and why was this option chosen?**

This option was chosen in order to comply with RCW 43.105.375. DRS will continue to explore the option of taking advantage of cloud services and minimizing its physical server footprint. During fiscal year 2017, DRS will engage with a 3<sup>rd</sup>-party consultation firm to evaluate all agency applications to determine cost effectiveness and suitability for hosting its applications in a public or private cloud (including the WaTech private cloud). DRS anticipates the results of this consultation could lead to a

cost-effective solution that includes housing some servers at the SDC while migrating others to the cloud.

**What are the consequences of not funding this request?**


DRS will not have sufficient resources in next biennium's budget to meet the OCIO's policy to have all servers housed at the SDC by June 30, 2019.

**How has or can the agency address the issue or need in its current appropriation level?**

Without additional resources, the most likely scenario would be a gradual migration to the SDC or the cloud which would extend the timeline past the June 30, 2019 deadline.

**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- ☐ No 
- ☒ Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
<b>FTE's (see attached worksheet for further details)</b>				
Project Manager <ul style="list-style-type: none"> <li>Full time for 12 months</li> <li>2,088 hours @ \$41.93/hour</li> <li>\$87,550 salary, \$27,694 benefits</li> </ul>	\$57,622	\$57,622		
Business Systems Analyst (IT Specialist 4) <ul style="list-style-type: none"> <li>Full time for 10 months</li> <li>1,744 hours @ \$35.90/hour</li> <li>\$62,466 salary, \$21,036 benefits</li> </ul>	\$33,400	\$50,102		
Server Administrator (IT Specialist 6) <ul style="list-style-type: none"> <li>Full time for 10 months</li> <li>Additional .25 time for November/December 2018 to account for overtime during move</li> <li>1,830 hours @ 43.74/hour</li> <li>\$79,913 salary, \$24,875 benefits</li> </ul>	\$39,919	\$64,869		
<b>Required Server Purchases (see attached worksheet for further details)</b>				
<ul style="list-style-type: none"> <li>Dell PowerVault TL4000 Tape Library</li> </ul>	\$13,912	\$4,500	\$4,500	\$4,500
<ul style="list-style-type: none"> <li>Dell PowerEdge R730 Server</li> </ul>	\$6,044	\$1,172	\$1,172	\$1,172
<ul style="list-style-type: none"> <li>Dell PowerEdge R430 Server</li> </ul>	\$5,942	\$687	\$687	\$687
<b>Move Services (see attached worksheet for further details)</b>				
<ul style="list-style-type: none"> <li>Transportation and moving assistance</li> </ul>	\$3,575			
<ul style="list-style-type: none"> <li>Packaging materials</li> </ul>	\$825			
<ul style="list-style-type: none"> <li>Truck hours</li> </ul>	\$72			
<ul style="list-style-type: none"> <li>Move services project manager</li> </ul>	\$500			

<b>State Data Center equipment enclosure (see attached worksheet for further details)</b>				
▪ 22.5 kilowatts @ \$200/kilowatt per month	\$36,000	\$54,000	\$54,000	\$54,000
Electricity savings at Point Plaza West	-\$8,679	-\$13,019	-\$13,019	-\$13,019
<b>Total Cost</b>	<b>\$189,133</b>	<b>\$219,935</b>	<b>\$47,341</b>	<b>\$47,341</b>

## Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? ☐ Yes ☒ No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) ☐ Yes ☒ No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) ☐ Yes ☒ No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.